

Summary

House 2006 Supplemental Pension Budget

Legislative Changes to Implement Pension Budget

- Pending Legislation would create a Pension Funding Stabilization Account (PFSA) in the state treasury with an appropriation of \$301.4 million. Moneys in the account [invested by the Treasurer with earnings retained by the State General Fund] would be used only for payment of the Plan 1 Unfunded Actuarial Accrued Liability (UAAL) in PERS and TRS.
- ESSB 6386 as amended by the House Section 716: Appropriates an additional \$48.6 million from the State General Fund to the PFSA for FY 2007.
- ESSB 6386 as amended by the House Section 717: Re-establishes contribution rates for the UAAL in PERS 1 and TRS 1 effective July 1, 2006.

Comparison of Total Employer Contribution Rates*

System	Current Rates	Current Policy 2006-07**	House Proposal 2006-07***
PERS	2.25%	3.50%	5.27%
TRS	2.73%	3.25%	4.54%
SERS	2.75%	3.75%	4.62%

* Excludes the administrative expense rate.

** Excludes the cost of future gain-sharing benefits. Effective 7/1/2006 for PERS; 9/1/2006 for TRS and SERS.

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Projected Employer Pension Contributions (Preliminary Estimate; GF-S in millions)*

The table below compares projected employer contributions from the State General Fund under current policy, with and without the cost of future gain-sharing benefits, to projected employer contributions under the House proposed pension budget.

Period	Current Policy without Gain-sharing	Current Policy with Gain-sharing	House Proposal**
2006-07	\$212	\$212	\$264
2007-08	\$416	\$507	\$503
2008-09	\$471	\$566	\$562
2009-10	\$569	\$670	\$665
2010-11	\$601	\$707	\$702

* Includes preliminary estimates for LEOFF, WSP and PSERS.

** Includes cost of future gain-sharing beginning 7/1/2007 (not specified in the House budget proposal).

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